

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT 2N241**

The clauses contained in the following Government regulations are incorporated by reference. Where necessary or appropriate to derive proper meaning in a subcontract situation, "Contractor" shall mean Seller. Government clauses cited elsewhere in the contract shall be those in effect in January 1, 1998.

FAR/DFARS

| <u>Reference</u> | <u>Title</u> |
|-------------------------|---|
| 52.204-2 | Security Requirements (AUG 96) (Applies only if the contract requires access to classified information, "Government" means Buyer or the Government.) |
| 52.211-5 | Material Requirements (MAY 95) ("Contracting Officer" means Buyer.) |
| 52.211-15 | Defense Priority and Allocation Requirements (SEP 90) |
| 52.215-39 | Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other than Pensions (MAR 96) (Applicable only if the contract is other than firm-fixed price or if certified cost or pricing data was provided.) |
| 52.215-40 | Notification of Ownership Changes (FEB 95) |
| 52.219-8 | Utilization of Small Business Concerns (JUN 97) |
| 52.222-1 | Notice to the Government of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.) |
| 52.222-21 | Prohibition of Segregated Facilities (FEB 99) (Certification required. The clause is to be included in every subcontract or purchase order subject to the equal opportunity clause.) |
| 52.222-26 | Equal Opportunity (APR 84) |
| 52.225-10 | Duty-Free Entry (APR 84) |
| | For the purposes of this clause the blank(s) are completed as follows: |
| | (f)(3) The notation "UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE. Duty-free entry to be claimed pursuant to schedule a. Part 3. Item No. 632.00 Tariff Schedules of the United States (19 U.S.C. 1202). Upon arrival of shipment at port of entry, District Director of Customs, please release shipment under 19 CFR 142 and notify the appropriate contract administration office for execution of Customs Forms 7501 and 7501-A and any required duty-free entry certificates. |
| 52.225-11 | Restrictions on Certain Foreign Purchases (OCT 96) ("Contracting Officer" means Buyer.) |
| 52.227-1 | Authorization and Consent (JUL 95) |
| 52.227-10 | Filing of Patent Applications - Classified Subject Matter (APR 84) (Applies only if contract will involve access to classified information) |
| 52.242-15 | Stop Work Order (AUG 89) ("Contracting Officer" means Buyer. Change "90 days" to "100 days" and "30 days" to "20 days". The "Termination for Convenience" clause shall refer to the "Termination for Convenience" clause of this contract.) |
| 52.244-6 | Subcontracts for Commercial Items and Commercial Components (OCT 95) |
| 52.246-23 | Limitation of Liability (FEB 97) |
| 252.215-7000 | Pricing Adjustments (DEC 91) |
| 252.225-7002 | Qualifying Country Sources as Subcontractors (DEC 91) |

Date: April 21, 2005

- 252.225-7009 Duty-Free Entry--Qualifying Country Supplies (End Products and Components) (JAN 97)
- 252.225-7010 Duty-Free Entry--Additional Provisions (JAN 97)
- 252.225-7012 Preference for Certain Domestic Commodities (SEP 97)
- 252.225-7014 Preference for Domestic Specialty Metals (FEB 97) (Applies only if contract item contains specialty metals.)
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (JUN 97) (Applies only if contract item contains ball or roller bearings.)
- 252.225-7025 Restriction on Acquisition of Forgings (JUN 97) (Applies only if delivered items could contain forging items)
- 252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 98)
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 95)
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles (DEC 91)
- 252.231-7000 Supplemental Cost Principles (DEC 91)
- 252.243-7001 Pricing of Contract Modifications (DEC 91)
- 252.243-7002 Certification of Requests for Equitable Adjustment (JUL 97)
- 252.244-7000 Subcontracts for Commercial Items and Commercial Components (MAR 00)
- 252.246-7000 Material Inspection and Receiving Report (DEC 91)

The following clauses also apply if the contract price exceeds \$10,000:

- 52.222-20 Walsh-Healey Public Contracts Act (DEC 96)
- 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 84)
- 52.222-36 Affirmative Action for Handicapped Workers (APR 84)
- 52.222-37 Employment Reports on Special Disabled Veterans and Vietnam Era Veterans (JAN 88)

The following clauses also apply if the contract price exceeds \$100,000:

- 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 95)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 97) (The disclosures of Seller and its lower tier subcontractors required by paragraph (c) shall be submitted to Buyer's Material Representative.)
- 52.215-2 Audit and Records-Negotiation (JUN 96 (Applies if the contract is cost reimbursement, incentive, time-and-materials, labor hour, or price redeterminable type or any combination of these; if cost or pricing data was required; or if cost funding or performance reports will be furnished.)
- 52.215-26 Integrity of Unit Prices (OCT 97) (Excluding paragraph (b)). (Not applicable if only services will be provided.)
- 52.223-2 Clean Air and Water (APR 84)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 96). (A copy of each notice sent to the Government will be sent to Buyer.) ("Contracting Officer" means Buyer.)
- 52.246-24 Limitation of Liability -- High-Value Items (Feb 1997) ["Government's" shall mean Government's or Buyer's in paragraph (e).

Date: April 21, 2005

- 52.248-1 Value Engineering (MAR 89) [excluding subparagraph (f)]. ("Contracting Officer" shall mean Buyer. If a Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of net acquisition savings or collateral savings shall not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.)
- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies (JUN 97) (This clause does not apply to the purchase of commercial items or commercial components. "Contractor" and "contract" are not changed in paragraphs (a) and (b). In paragraph (e), "Government" shall mean Government or Buyer. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer". Paragraph (g) is deleted and "Contracting Officer" shall mean Contracting Officer.)
- 252.209-7000 Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate - Range Nuclear Forces (INT) Treaty (NOV 95)
- 252.247-7023 Transportation of Supplies by Sea (NOV 95) (In paragraph (d) "30 days" is changed to 60 days.)

The following clauses also apply if the contract price exceeds \$500,000:

- 52.215-42 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications (JAN). [Contracting Officer shall mean Buyer.]
- 52.230-2 Cost Accounting Standards (APR 96) (This clause applies only if Seller is subject to Cost Accounting Standards (CAS).
- 52.230-6 Administration of Cost Accounting Standards (APR 96) (Add "Buyer and "before "Contracting Officer" in paragraph (e).)
- 252.225-7026 Reporting of Contract Performance Outside the United States" (NOV 95) (not applicable if only commercial products are involved.) (This clause applies only if this contract is not for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.)

The following clauses also apply if Technical Data or Computer Software will be Generated or Delivered:

- 252.227-7016 Rights in Bid or Proposal Information (JUN 95)
- 252.227-7030 Technical Data - Withholding of Payment (MAR 00) (This clause applies only if the delivery of data is required by this contract.) ("Contracting Officer" and "Government" means Buyer.)

The following Air Force FAR Supplement clauses are applicable as indicated:

- 5352.223-9003 Elimination of Use of Class I Ozone Depleting Substances (MAY 96)

Additional Provisions:

Notice of the requirements of DFARS 252.225-7014, *Preference For Domestic Specialty Metals, Alternate I* (hereinafter "specialty metals clause")

DoD's interpretation of this specialty metals clause is that it prohibits the contractor (including its suppliers at every tier) from incorporating into military parts, components, and/or end item deliverables "specialty metals" (identified in the clause, including titanium and stainless steel) which have been melted outside the United States, its possessions, or Puerto Rico, unless certain limited exceptions set forth in the clause or DFARS Subpart 225.7002-2 apply. One such exception is for specialty metals melted in a qualifying country or incorporated into an article manufactured in a qualifying country. Those countries are listed at DFARS 225.872-1(a) or (b). Since the United States is not listed as a qualifying country, DoD does not consider it to be a qualifying country. Even if a qualifying country exception applies, the source for specialty metals melted outside the United States may also have to be listed in an applicable Qualified Products List (QPL), such as that set forth in Douglas Material Specification (DMS) 2201, *Procurement from Foreign Sources - Metallic Raw Material*. Please check your purchase order carefully for any such requirement. If your purchase order contains this requirement, you must comply with its provisions unless

Date: April 21, 2005

you apply for and are granted, through The Boeing Company, one or more of the limited exemptions authorized under the specialty metals clause.

If your organization is issued a purchase order with the specialty metals clause, compliance to the following is strongly encouraged:

- a. Your Quality Assurance Personnel, particularly Receiving Inspection, (i.e. where in-coming material and certifications are verified), should be made aware of specialty clause requirements, and ensure that no foreign melted specialty metals are utilized to fabricate any components for use on a product to be supplied to DoD unless they are melted in a qualifying country.
- b. If a distributor or other subtier supplier is the source of your material, ensure that the specialty metals clause requirements have been flowed down. Also take the necessary steps to ensure that your supplier provides only specialty metals (such as Titanium or stainless steel) that have been melted within the United States or a qualifying country and, if required, proper certifications are issued.

If your organization needs further information and/or assistance, please contact the Boeing Procurement Quality Representative assigned to your facility or identified in your purchase order.

(Applies only if contract item contains specialty metals.)

DEFENSE PRIORITY RATING. If a defense priority rating is identified on the face of this contract, this is a rated order certified for national defense use and the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700), including accepting or rejecting this contract in writing within fifteen (15) working days after receipt of DO rated or ten (10) days after receipt if DX rated. If rejected, the reason(s) for such rejection shall be included in the notice to the Buyer.

ANTI-KICKBACK PROCEDURES. Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7, "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller. In addition to reporting possible violations of the Anti-Kickback Act to the Government pursuant to 41 U.S.C. §57(c), Seller shall report such possible violations, if related to Buyer, to the Director of Materiel and/or the Division Counsel of the Boeing division or subsidiary issuing this contract. Seller agrees to hold Buyer harmless from, defend Buyer against, and indemnify Buyer for all costs, expenses, and offsets Buyer may incur as a consequence of violations of this clause by Seller or by Seller's subcontractors or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.

A = ADDED
D = DELETED
R = REVISED